

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: JANUARY 7, 2009

DEPARTMENT: CITY MANAGER'S OFFICE**DIRECTOR:** DOUGLAS SELBY☐ Consent ☒ Discussion**SUBJECT:**

ADMINISTRATIVE:

Discussion and possible action regarding a Memorandum of Understanding between the Las Vegas Employees' Association (LVCEA) and the City of Las Vegas regarding the current labor agreement (Future Five Year Range \$37,200,000 to \$55,200,000 – General Fund)

Fiscal Impact☐**No Impact**☐**Augmentation Required**☒**Budget Funds Available****Amount:** Future Five Year Range \$37,200,000 to \$55,200,000 – General Fund**Funding Source:** Various**Dept./Division:** Various**PURPOSE/BACKGROUND:**

The LVCEA leadership and senior City management have come to an agreement that will be a major factor in helping to avoid the \$150 million shortfall the City is facing over the next five years and helps provide additional job security for many of our employees. Approximately 75% of the City's costs go to wages and benefits, therefore the City Council asked that the City's four bargaining units work with management. In the spirit of trying to retain services for our citizens and to preserve as many jobs as possible, the leadership of the LVCEA came forward with a proposal and after talks with City management the Memorandum of Understanding is being brought forward for Council approval.

RECOMMENDATION:

To approve the Memorandum of Understand between Las Vegas City Employees' Association and the City of Las Vegas

BACKUP DOCUMENTATION:

Memorandum of Understanding

Motion made by GARY REESE to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, STEVE WOLFSON, OSCAR B. GOODMAN,
GARY REESE, STEVEN D. ROSS, DAVID W. STEINMAN; (Against-None); (Abstain-None);
(Did Not Vote-None); (Excused-None)

Minutes:

DEPUTY CITY MANAGER BETSY FRETWELL expressed her appreciation to the leadership of Las Vegas City Employees' Association (LVCEA) for working with the City. She noted that

CITY COUNCIL MEETING OF: JANUARY 7, 2009

the LVCEA had listened to their membership and its overwhelming support for the Memorandum of Understanding (MOU). That support of the MOU represented the membership's support for their leadership and their dedication to the community.

DEPUTY CITY MANAGER FRETWELL admitted that some critics might say that the savings from this agreement would not be enough to balance the City's budget and she acknowledged that if the City's revenue continued to fall, further action would be needed. She emphasized that this agreement sets a new standard and the City is probably the first to come to this kind of agreement with a bargaining unit. DEPUTY CITY MANAGER FRETWELL stated that approval of the MOU should result in a savings of \$1.4 million in wages and benefits next year with an additional savings of up to \$7.7 million if the reductions are put in place for the following years. The City would save almost \$23 million over five years.

Using graphs displayed on the overhead, DEPUTY CITY MANAGER FRETWELL described the impact the agreement would have on the salaries and benefits of new and current employees. She explained that the growth rate in the salary for a new employee would remain high, but would be tempered. An employee who had reached the top of their pay scale would be similarly tempered. The reduction in salary and benefits would also reduce the City's contribution to the Public Employees' Retirement System (PERS), resulting in a significant cost savings. She recommended approval of the MOU.

COUNCILMAN WOLFSON thanked the LVCEA management and members for working with the City and stated that the agreement is a move in the right direction. Although the resulting reductions might not be enough, the agreement had triggers which would allow City management and the Council to address new issues. He supported evaluating the salary and benefits for new employees as well as asking for similar concessions from the remaining bargaining units and the Las Vegas Metropolitan Police Department's bargaining units.

BRUCE SNYDER, General Counsel for the LVCEA, thanked the LVCEA members for supporting the MOU, even though only a few employees faced layoffs. The LVCEA'S auditor had verified the City's financial position, but noted that a few pockets of money that might be available for use. He also emphasized the importance of having all the City's bargaining units and management share budget cuts equally. Both the City and LVCEA benefit from this agreement and he recommended approval.

DON KING, Vice President of the LVCEA, thanked the membership for coming forward and taking the steps to protect fellow employees and he also recommended approval. He wished more could have been done for the employees in the Building and Safety Department who were facing layoffs.

COUNCILMAN REESE commended the LVCEA for coming forward with the agreement and expressed his confidence that the other labor units would follow the LVCEA'S example.

RONALD ZAPATA, Las Vegas resident, thanked the LVCEA and the City for coming to this agreement.